

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 EURE-00 EA-06 NSC-05 NSCE-00

INR-05 INRE-00 EB-03 RSC-01 SP-02 L-01 PRS-01 SWF-01

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O R 122006Z DEC 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 5106

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

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C O N F I D E N T I A L SECTION 01 OF 02 PARIS 29933

LIMDIS

E.O. 11652: GDS

TAGS: EGEN, EEC, FR

SUBJECT: EC SUMMIT: BRUNET'S APPRAISAL

1. BRUNET, DIRECTOR OF ECONOMIC AFFAIRS, MFA, HAS GIVEN ECON/COM MIN HIS APPRAISAL OF THE ACCOMPLISHMENTS OF THE EC SUMMIT. HE DESCRIBED THE SUMMIT AS "A MODERATE SUCCESS."

2. INSTITUTIONS: BRUNET SAID THAT HE CONSIDERED THE DECISION TO HAVE MEETINGS OF HEADS OF GOVERNMENT THREE TIMES A YEAR WAS EXTREMELY IMPORTANT. THIS WAS AN OLD FRENCH IDEA, WHICH THE FRENCH WERE HAPPY TO HAVE THE
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OTHERS ACCEPT. IT WOULD NORMALIZE THE PROCESS OF

CONSULTATION AND DECISION-MAKING BY HEADS OF GOVERNMENT AND WOULD LEAD THEM TO THINK AND ACT INCREASINGLY AS EUROPEANS.

3. MAJORITY VOTING: BRUNET SAID THAT, WHILE EVERYBODY AGREED THAT MORE DECISIONS OUGHT TO BE TAKEN BY MAJORITY VOTE, HE DOUBTED THAT THIS DECISION WOULD TURN OUT TO BE VERY SIGNIFICANT IN PRACTICE. HE BELIEVED THAT GOVERNMENTS WOULD CONTINUE TO INSIST ON UNANIMITY ON MOST QUESTIONS.

4. UK BUDGETARY CONTRIBUTION: BRUNET SAID THAT THE DECISION TO SET UP A "CORRECTING MECHANISM" WAS A MAJOR CONCESSION BY FRANCE TO THE UK WHICH HAD GIVEN THE BRITISH GREAT SATISFACTION. HE SAID HE HIMSELF WOULD NOT HAVE MADE THIS CONCESSION BUT THAT GISCARD OBVIOUSLY FELT OTHERWISE.

5. REGIONAL FUND: FRANCE HAD NOT WANTED A REGIONAL FUND AND IN FACT WOULD, AFTER GERMANY, BE THE MAJOR CONTRIBUTOR TO THE FUND. HERE AGAIN FRANCE HAD MADE A CONCESSION TO THE UK (AND, OF COURSE, TO THE IRISH AND THE ITALIANS). BRUNET SAID THE IDEA THAT FRANCE HAD MADE A SECRET CONCESSION TO THE GERMANS BY PROMISING TO JOIN THE IEA IN ORDER TO OBTAIN GERMAN APPROVAL OF THE REGIONAL FUND WAS SIMPLY ABSURD. IN THE FIRST PLACE, FRANCE, AS PREVIOUSLY NOTED, WAS NOT ENTHUSIASTIC ABOUT THE REGIONAL FUND AND IN THIS REGARD SAW EYE TO EYE WITH GERMANY. HOWEVER, IF IT WAS ARGUED THAT HAVING A SUMMIT AT ALL DEPENDED ON GERMANY'S AGREEING TO A REGIONAL FUND AND THAT IN ORDER TO HAVE ITS SUMMIT FRANCE HAD TO MAKE A CONCESSION TO GERMANY, THEN THIS SUGGESTION, TOO, WAS ABSURD. THE GERMANS WOULD NEVER HAVE ACCEPTED THE VERY GRAVE RESPONSIBILITY OF BLOCKING THE SUMMIT AND THUS CAUSING A SERIOUS SETBACK TO THE PROCESS OF BUILDING EUROPE. THEY KNEW THAT THERE HAD TO BE A REGIONAL FUND AND THE FRENCH AND THEY HAD MADE THE BEST DEAL POSSIBLE. THE ONLY CONCESSIONS THE FRENCH HAD MADE WERE TO THE BRITISH (ON THE BUDGET AND ON THE REGIONAL FUND).

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6. INFLATION: BRUNET SAID THAT RECESSION RATHER THAN INFLATION WAS THE PRINCIPAL CONCERN OF THE HEADS OF GOVERNMENT. THEY HAD ASKED FINANCE MINISTRIES TO PREPARE A WORKING PAPER ON THE DANGER OF RECESSION FOR CONSIDERATION AT THE SUMMIT. THEY REALIZED AT THE LAST MOMENT THAT THE PAPER SAID NOTHING ABOUT INFLATION, AND ALMOST AS AN AFTERTHOUGHT ADDED THE PHRASE IN

PARAGRAPH 25 OF THE COMMUNIQUE "TO COMBAT INFLATION."
IT WAS OBVIOUS, BRUNET SAID, THAT THE BIG FEAR OF EVERY
HEAD OF GOVERNMENT WAS UNEMPLOYMENT. IN THIS CONNEC-
TION THEY WERE PARTICULARLY CONCERNED ABOUT THE DANGER
OF A SERIOUS RECESSION IN THE U.S. (ELYSEE SPOKESMAN
TOLD PRESS ON DECEMBER 12 THAT "THE NINE HAVE
ENTRUSTED MR. GISCARD D'ESTAING WITH A MISSION OR A
MESSAGE TO PRESIDENT FORD IN ORDER TO DRAW THE ATTENTION

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C O N F I D E N T I A L SECTION 02 OF 02 PARIS 29933

OF THE AMERICAN PRESIDENT TO THE NECESSITY FOR ALL WESTERN
INDUSTRIAL COUNTRIES NOT TO TAKE ECONOMIC MEASURES WHICH
WOULD HAVE THE EFFECT OF INCREASING RECESSION OR

REDUCING TRADE.")

7. SOCIAL FUND: THE TEMPORIZING LANGUAGE ON THE NEED TO INCREASE THE RESOURCES OF THE SOCIAL FUND, ACCORDING TO BRUNET, WAS A CONSEQUENCE OF THE ALMOST VIOLENT REFUSAL OF THE GERMANS TO MAKE A FURTHER CONTRIBUTION OF THE SOCIAL FUND AT THIS TIME.

8. ENERGY: BRUNET RECOGNIZED THAT THE SUMMIT HAD REFUSED TO ENDORSE FRENCH PROPOSALS FOR AN EC PROGRAM
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ON CONSERVATION OF ENERGY AND A TRIPARTITE CONFERENCE OF PRODUCERS AND CONSUMERS. HE SAID THAT GISCARD PROBABLY FELT THAT THERE SIMPLY WAS NOT TIME TO GET INTO THE INTERNAL EC ENERGY POLICY QUESTION AND THAT THIS WAS BEST LEFT TO THE DECEMBER 17 MEETING OF EC MINISTERS OF ENERGY IN ANY CASE. AS FOR THE TRIPARTITE CONFERENCE, BRUNET SAID THAT THIS HAD BEEN DISCUSSED AT A LUNCHEON OF THE NINE HEADS OF GOVERNMENT, FROM WHICH EVEN FOREIGN MINISTERS WERE EXCLUDED AND THAT CONSEQUENTLY HE HAD NO FIRST-HAND INFORMATION ON THIS SUBJECT. HOWEVER, HE HAD HEARD FROM AN UNIMPEACHABLE SOURCE THAT THE OTHER HEADS OF GOVERNMENT HAD EXPRESSED VARYING DEGREES OF SUPPORT FOR GISCARD'S PROPOSAL AND HAD SUGGESTED THAT HE CONVEY THEIR VIEWS TO PRESIDENT FORD. (THE ELYSEE SPOKESMAN INFORMED THE PRESS ON DECEMBER 12 THAT GISCARD HAD NO MANDATE FROM HIS EC PARTNERS ON ENERGY BUT ADDED "THERE IS NO INCOMPATIBILITY" BETWEEN THE IDEAS OF FRANCE AND THE U.S. ON THE QUESTION OF A CONSUMER-PRODUCER DIALOGUE AND THAT IT WAS SIMPLY A QUESTION OF AGREEING ON AN ACCEPTABLE TIMETABLE. GISCARD HIMSELF, ANSWERING A NEWSMAN'S QUESTION JUST BEFORE HIS DEPARTURE FOR THE ANTILLES, SAID "I DID NOT ATTEMPT TO OBTAIN A MANDATE ON ENERGY FOR CERTAIN OF OUR POSITIONS ARE DIFFERENT. BUT ALL OUR PARTNERS CONFIDED TO ME THEIR DESIRE THAT I SEEK WITH PRESIDENT FORD SOLUTIONS WHICH WOULD MAKE IT POSSIBLE TO HOLD A VERY WELL PREPARED WORLD CONFERENCE ON ENERGY." ON SAME SUBJECT, DANISH DCM TOLD US THAT EC-9 REACHED AGREEMENT BEFORE SUMMIT MEETING THAT EIGHT WOULD NOT PUSH FRANCE TO JOIN IEA AND FRANCE WOULD NOT PUSH FOR ENDORSEMENT BY EIGHT OF TRIPARTITE CONFERENCE.)

9. BRUNET'S VIEWS ON ENERGY AT THE MARTINIQUE SUMMIT WILL BE REPORTED IN A SEPARATE MESSAGE.
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Message Attributes

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